

NORTH CAROLINA LEADS

2020/2021 ISSUE HIGHLIGHTS



SOUND BUDGETING AND FAIR TAXATION

RESPECT FOR PARENTS, KIDS, AND TEACHERS

LOWER-COST, PATIENT-CENTERED HEALTH CARE

SUPPORT FOR JOB CREATORS

John Locke
FOUNDATION

FISCALLY PREPARED FOR THE PANDEMIC

\$2.8 BILLION

Savings Reserve
and Fund Balance
before March 2020

ZERO

No Tax Increase
despite the
lockdown

\$4.0 BILLION

Unemployment
Trust Fund as of
January 1, 2020

HELPING FAMILIES: First \$21,500 of income is tax-free

HELPING BUSINESSES: 2.5% corporate income tax rate

**HELPING ALL NORTH CAROLINIANS: restrained government
spending to the growth of inflation + population**

INCOME TAX AND SALE TAX CHANGES

TAX INCREASE

\$3.9 BILLION

DEMOCRAT
GOV. EASLEY

TAX INCREASE

\$2.2 BILLION

DEMOCRAT
GOV. PERDUE

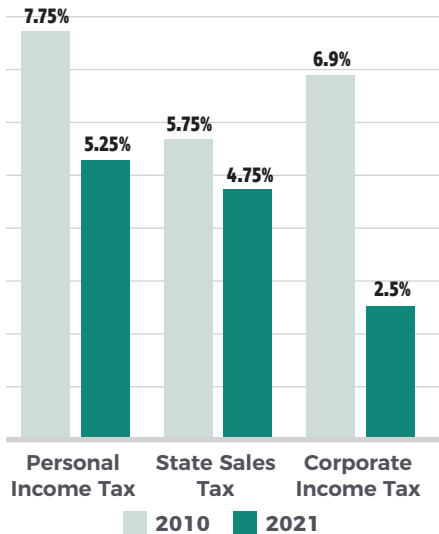
TAX RELIEF

\$15.8 BILLION

REPUBLICAN
LEGISLATURE

TAXES

**SINCE 2011, NORTH CAROLINIANS HAVE HAD
OVER \$15.8 BILLION IN TAX RELIEF**



▲ ZERO TAX BILL

For a family filing jointly the standard deduction was increased from \$6,000 to **\$21,500**

▲ TAX BASE

Corporate tax base was broadened by eliminating many credits and carveouts

▼ SALES TAX

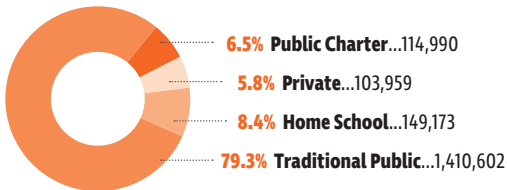
Legislators ended a one-cent temporary sales tax in 2011

EDUCATION

58%

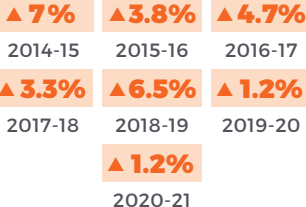
Education spending is 58% of North Carolina's state budget

K-12 ENROLLMENT 2019-20

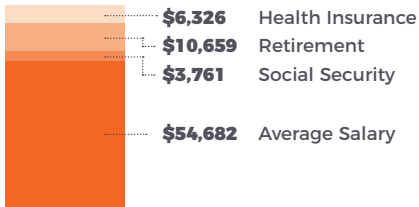


PUBLIC SCHOOL TEACHER PAY

7 CONSECUTIVE PAY RAISES



\$75,428 TOTAL COMPENSATION



EDUCATION

SCHOOL CHOICE BY THE NUMBERS

CHARTER SCHOOLS

200

Schools as of
Aug. 2020

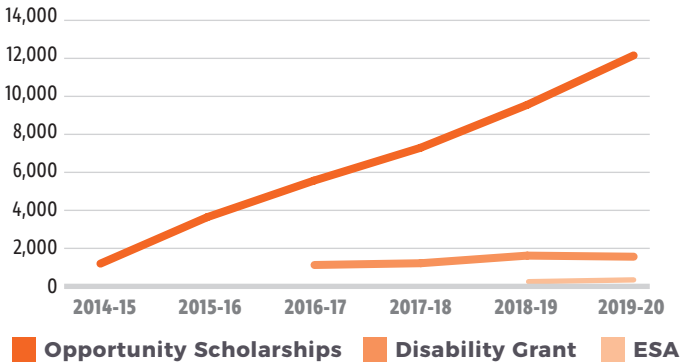
124,808

Initial Enrollment
in 2020-21

65,000

Students on
wait lists

PRIVATE SCHOOL CHOICE RECIPIENTS



REGULATORY REFORMS

- ▶ Established a sunset and periodic review process and **removed unnecessary rules and regulations**, More than one in 10 rules reviewed under the process have been repealed.



- ▶ **Freed NC's craft breweries from unnecessary restrictions** which limited growth and the ability to self-distribute.
- ▶ **Repealed outdated restrictions on NC's craft distilleries** so they can hold tastings in ABC stores, sell more than five bottles a year to a distillery visitor, and self-distribute to mixed beverage permittees and out-of-state consumers.
- ▶ **Passed annual regulatory reform bills** aimed at repealing or reforming regulations burdening many different kinds of businesses and industries since 2011.

HEALTH CARE

- ▶ **Association Health Plans.** Small Businesses and sole proprietors now have access to more affordable health insurance coverage through Association Health Plans.



- ▶ **Direct Primary Care practices provide affordable primary care** in North Carolina without fear of being subject to onerous insurance regulations.
- ▶ **Expanding Medicaid eligibility puts traditional program enrollees at risk.** Low-income parents, children, pregnant women, the elderly, the blind, and the disabled would have to compete for access to health care with an estimated 623,000 people added to Medicaid rolls, 77% of whom are able-bodied, childless, working-age adults.
- ▶ **Medicaid Managed Care allows the state to have more budget stability** and the current 2.1 million Medicaid enrollees will have more coordinated care.

NORTH CAROLINA RANKINGS

1ST

Forbes 2019
Best State for
Business

5TH

ALEC 2020
Overall Economic
Outlook

6TH

Seek Capital
Best for Starting a
Business

14TH

Fraser Institute
Economic
Freedom Index

10TH

Tax Foundation
State Business
Tax Climate

18TH

Cato Institute
Freedom in the
50 States

AAA

1 of 12 states
with unanimous
'AAA' bond rating

16TH

WalletHub Best
States for Teachers

9TH

WalletHub Best
States for Working
from Home